

Forty members of Congress joined Rep. Peter Welch (D-Vt.) Thursday in calling on six Wall Street banks to halt executive bonus compensation and return to the taxpayer questionable bonuses identified in a new report.

The move comes after Kenneth Feinberg, the special master for executive compensation, issued a report identifying 17 banks which together paid \$1.58 billion in bonuses after accepting billions in taxpayer aid from the Troubled Asset Relief Program (TARP). Six of those firms – the American International Group, the CIT Group, Citigroup, M&T Bank, Regions Financial and SunTrust Banks – have yet to fully repay outstanding TARP loans.

In a letter to the board chairs of the six institutions, the House members urged them to halt all bonus compensation until they have repaid the American taxpayer and to return to the taxpayer the questionable bonuses identified by Feinberg.

"Why is it that, when it comes to Wall Street compensation, enough is never enough?" the House members wrote. "Why is it that Wall Street remains tone deaf and blind to the struggles of working Americans? Why is it that Wall Street increases bonuses to executives while eliminating lending to small businesses?"

Watch the video of Welch speaking about his letter on the House floor Thursday below:

Joining Welch in signing the letter were Reps. Baldwin, Boswell, Brady, Capps, Cardoza, Carnahan, Castor, Cohen, Courtney, DeFazio, DeGette, Edwards, Ellison, Eshoo, Grijalva, Hinchey, Holt, Kagan, Kaptur, Kildee, Kilroy, Kind, Larson, Loeb sack, Lynch, Matsui, Michaud, Miller, Norton, Pallone, Pingree, Shea-Porter, Slaughter, Space, Stark, Sutton, Teague, Thompson, Tonko and Wilson. The letter is copied below.

Dear Chairman of the Board of Directors,

Why is it that, when it comes to Wall Street compensation, enough is never enough? Why is it that Wall Street remains tone deaf and blind to the struggles of working Americans? Why is it that Wall Street increases bonuses to executives while eliminating lending to small businesses?

We are extremely disappointed to learn that Kenneth Feinberg has identified your company as one of 17 troubled banks that paid out questionable bonuses immediately after accepting 2008 taxpayer assistance that helped prevent the failure of your institution. Further, it is our understanding that your bank may be preparing to again pay excessive bonuses to your executives in spite of the fact that you have not yet fully repaid the taxpayer.

This news hits at a time when the very taxpayers who threw a lifeline to your bank are struggling to stay afloat in an economy driven to the brink of collapse by the actions of Wall Street. And, small businesses are struggling to keep their doors open because they cannot get loans from the same Wall Street banks they helped bailout.

We urge you to:

- Stop all bonus compensation to your executives until you have completely repaid the taxpayer, with interest; and
- Return to the taxpayer the questionable bonuses identified by Mr. Feinberg that were made possible through taxpayer funded lifelines.

It would be cynical in the extreme for you to thumb your nose at the American public by continuing excessive payouts while your company is in debt to the taxpayer. We expect you to take immediate action to address the issues we have raised in this letter and look forward to your timely response.

Sincerely,

## **Welch and 40 members of Congress call on Wall Street banks to return questionable bonuses**

Thursday, 29 July 2010 10:33

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PETER WELCH  
Member of Congress